

**808 KAR 9:040. Limitation on electronic fund transfers from customer accounts.**

RELATES TO: KRS 286.9-010, 286.9-100

STATUTORY AUTHORITY: KRS 286.9-090

NECESSITY, FUNCTION, AND CONFORMITY: KRS 286.9-090 authorizes the Office of Financial Institutions to promulgate administrative regulations for the enforcement of KRS 286.9-010 to 286.9-120. This administrative regulation establishes requirements for deferred deposit transactions.

Section 1. In connection with a deferred deposit transaction, a licensee shall deposit or present for payment a customer's actual check to the customer's bank or other financial institution unless that check is redeemed or bought back by the customer.

Section 2. If there is nonpayment by the customer's bank or other financial institution of the customer's actual check, a licensee may use electronic debits of customer accounts in its collection efforts. (30 Ky.R. 525; Am. 868; eff. 10-31-2003; TAm eff. 5-2-2007.)